
NOTE 14 – FIRE & RESCUE PENSION TRUST LENGTH OF SERVICE AWARDS PROGRAM

A. Plan description and provisions

On January 1, 1995 the Fauquier County Board of Supervisors adopted the Fire & Rescue Pension Trust Length of Service Awards Program for the Fauquier County Fire and Rescue Association and its member companies to recognize the service provided by the volunteers. The plan was active until January 1, 2002 at which time the Fauquier County Board of Supervisors, at the recommendation of the Fire & Rescue Association, froze all member benefits in the plan. The plan is a single employer, defined benefit pension plan which was open to any volunteer firefighter over the age of eighteen. Participants vested in five years, and earned a fixed dollar benefit based on years of service. The amortization period is closed. No separate financial report is issued for the plan.

As of January 1, 2005 the program membership consisted of the following:

Eligible Members	208
Retirees and beneficiaries	35

B. Funding policy

This plan is available to vested volunteer members with no covered payroll. Benefits amortize on a level dollar basis, and are recognized when due and payable in accordance with the terms of the plan. Members vest over a ten-year period. Benefits accrue at the rate of \$10 per month for each two years of active service with a maximum of \$250 per month. Since the County fully funds the plan, refunds are not paid. The plan does not provide for post-retirement increases. The contribution rate is determined using an entry age normal actuarial funding method. The actuarial value of the plan assets is equal to the market value of the assets. Present and future assets in the plan are assumed to earn an investment rate of return of 5.00% compounded annually. There is no inflation factor or salary increase factor used since there is no covered payroll.

The contributions to the plan for the fiscal year ended June 30, 2005 totaled \$249,582. The program's funding policy provides for periodic County contributions at actuarially determined rates that are sufficient to accumulate adequate assets to pay benefits when due. At June 30, 2005 the plan had net assets available for benefits totaling \$1,080,640. Unfunded past service costs total \$1,032,756 and will be fully amortized in 7 years. The plan additions fund the cost of administering the plan.

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed
June 30, 2003	\$ 82,195	100%
June 30, 2004	211,946	100%
June 30, 2005	249,582	100%

NOTE 15 – DEBT DEFEASANCE

On October 15, 2002 the County participated in a Virginia Resource Authority (VRA) pooled refunding program in the issuance of \$2,645,000 Solid Waste Management Revenue Bonds Series 2002B bonds to advance refund \$2,790,000 Solid Waste Disposal System Revenue Bonds, Series 1993A. As a result, the 1993A bonds maturing annually on May 1, 2003 through May 1, 2011 are considered to be defeased in substance, and the liability for those bonds has been removed from the financial statements. At June 30, 2005 the defeased bonds had balances outstanding of \$1,875,000.